



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 12, 2014

Certified Return Receipt  
7005 0390 0005 5857 3029

Bond Safeguard Insurance Company  
12890 Lebanon Road  
Mt. Juliet, Tennessee 37122

Subject: Cancellation of Surety Bond ! \_\_\_\_\_, Ziegler Chemical and Mineral Corporation,  
Cowboy Bandana Mine, M/047/0013, Uintah County, Utah

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated February 6, 2014, regarding cancellation of surety bond \_\_\_\_\_ in the amount of \$450,200.00 effective 90 days from the Division's receipt of your letter. The Division received the letter February 11, 2014; 90 days from that date is May 12, 2014. The mine operator, Ziegler Chemical and Mineral Corporation, is being advised that a replacement surety must be provided by April 12, 2014.

Under the terms of the above referenced surety bond, Bond Safeguard Insurance Company remains liable for reclamation of the existing disturbance. The surety bond states:

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal or written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate **except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination** (emphasis added).

If the surety is not replaced by April 12, 2014, the Division will immediately issue a cessation order to Ziegler Chemical and Mineral Corporation and demand that it commence reclamation. Failure of Ziegler Chemical and Mineral Corporation to reclaim the mine within 30 days of issuance of the cessation order may result in the Division making demand on Bond Safeguard Insurance Company to either proceed with reclamation or to pay to the Division the amount of the bond. If Bond Safeguard Insurance Company fails to complete reclamation or make payment as requested, the Division may proceed to file a Request for Agency Action with the Board of Oil, Gas and Mining to seek forfeiture of the bond.



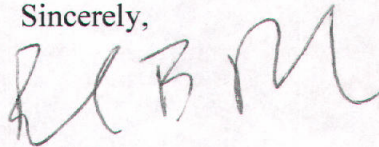


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Bond Safeguard Insurance Company  
M/047/0013  
February 12, 2014

Please confirm that you remain responsible as surety for the reclamation of the existing disturbance. We also ask that you advise the Division immediately if there is any reason or if any conditions arise that may preclude you from continuing as surety for reclamation of the existing disturbance.

Thank you for your cooperation. If you have any questions, please feel free to call me at 801-538-5261.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P. Baker'.

Paul Baker  
Minerals Program Manager

PBB:pb

Enclosure Letter to operator dated February 12, 2014, and copy of surety

Cc: Gordon Ziegler, Ziegler Chemical and Mineral  
Jerry Mansfield, SITLA ([jmansfield@utah.gov](mailto:jmansfield@utah.gov))  
Bill Buge BLM SO ([bbuge@blm.gov](mailto:bbuge@blm.gov))

Steve Alder and Doug Crapo, Assistant Attorneys General

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